



General Assembly

February Session, 2000

***Amendment***

LCO No. 3985

Offered by:

SEN. LEBEAU, 3<sup>rd</sup> Dist.

To: Subst. Senate Bill No. 578

File No. 604

Cal. No. 398

***"An Act Concerning Smart Buildings And Internet  
Business Districts."***

1 In line In line 7, after "property", insert "or any information  
2 technology project"

3 In line 9, after "for", insert "an information technology project or"

4 In line 12, strike "fully wired office space provided high-capacity  
5 networking within such space and high-speed connections to the  
6 Internet"

7 After line 143, insert the following and renumber the remaining  
8 sections accordingly:

9 "Sec. 3. Subsection (d) of section 32-23d of the general statutes is  
10 repealed and the following is substituted in lieu thereof:

11 (d) "Project" means any facility, plant, works, system, building,  
12 structure, utility, fixture or other real property improvement located in  
13 the state, any machinery, equipment, furniture, fixture or other  
14 personal property to be located in the state and the land on which it is

15 located or which is reasonably necessary in connection therewith,  
16 which is of a nature or which is to be used or occupied by any person  
17 for purposes which would constitute it as an economic development  
18 project, information technology project, public service project, urban  
19 project, recreation project, commercial fishing project, health care  
20 project, the convention center project, as defined in subdivision (3) of  
21 section 32-600, or nonprofit project, and any real property  
22 improvement reasonably related thereto. A project may be acquired (1)  
23 directly or (2) indirectly through the purchase of all or substantially all  
24 of the stock of a corporation. A project shall not include new materials,  
25 work in process, stock in trade or stock of a corporation.

26 Sec. 4. Section 32-23d of the general statutes is amended by adding  
27 subsections (ee) to (gg), inclusive, as follows:

28 (NEW) (ee) "Information technology project" means any project (1)  
29 providing information technology intensive office or laboratory space,  
30 including, but not limited to, smart buildings, incubator facilities, or  
31 any project that is to be used or occupied by any person specializing in  
32 e-commerce technologies or other technologies using high-speed  
33 communications infrastructure, and (2) which the authority deems will  
34 materially contribute to the economic base of the state by creating or  
35 retaining jobs, promoting the export of products or services beyond  
36 state borders, encouraging innovation in products or services, or  
37 otherwise contributing to, supporting or enhancing existing activities  
38 that are important to the economic base of the state.

39 (NEW) (ff) "Incubator facilities" has the same meaning as incubator  
40 facilities in subdivision (5) of section 32-34.

41 (NEW) (gg) "Smart building" means a building that houses, for use  
42 by its tenants, an information or communications infrastructure  
43 capable of transmitting digital video, voice, and data content over a  
44 high-speed wired, wireless, or other communications intranet and  
45 provides the capability of delivering and receiving high-speed digital  
46 video, voice and data transmissions over the Internet."

47 In line 209, after "(12)", insert "provide tenant lease guarantees and  
48 performance guarantees and"

49 In line 214, after "which" insert "guarantees,"

50 In 315, insert a period after "state" and strike "; and (26) act as a loan  
51 guarantor for information"

52 Strike lines 316 to 371, inclusive, in their entirety and insert the  
53 following in lieu thereof:

54 "Sec. 4. Section 32-39 of the general statutes is amended by adding  
55 subsection (38) as follows:

56 (NEW) (38) To provide financial aid to persons developing smart  
57 buildings, as defined in section 32-23d, as amended by section 3 of this  
58 act, incubator facilities or other information technology intensive office  
59 and laboratory space.

60 Sec. 5. (NEW) As used in section 6 of this act, the following terms  
61 shall have the following meanings unless the context indicates another  
62 meaning and intent:

63 (1) "Authority" means the Connecticut Development Authority,  
64 created under section 32-11a of the general statutes, and any of its  
65 subsidiaries or affiliates;

66 (2) "Executive Director" means the executive director of the  
67 Connecticut Development Authority;

68 (3) "Financial assistance" means any and all forms of grants, loans,  
69 extensions of credit, guarantees, equity investments, grants or other  
70 forms of financing or refinancing to persons for the purchase,  
71 acquisition, leasing, construction, expansion, continued operation,  
72 reconstruction, financing, refinancing or placing in operation of an  
73 information technology project, including, but not limited to, fixed  
74 assets, working capital, equity participations and acquisitions,  
75 employee buyouts, refinancing, lease guarantees, financial

76 restructuring and other purposes which the authority determines  
77 further the purposes of this section. For purposes of this section and  
78 section 6 of this act financial assistance shall not be considered  
79 financial assistance under the provisions of section 32-462 of the  
80 general statutes;

81 (4) "Information technology project" means an information  
82 technology project, as defined in section 32-23d of the general statutes,  
83 as amended by this act;

84 (5) "Person" means a person, as defined in subsection (s) of section  
85 32-23d of the general statutes;

86 (6) "Return on investment" means any and all forms of principal or  
87 interest payments, guarantee fees, equity participations, options,  
88 warrants, debentures and any or all other forms of remuneration to the  
89 authority in return for any financial assistance provided or offered.

90 Sec. 6. (NEW) (a) There is created within the authority the High-  
91 Technology Infrastructure Fund. The state, acting through the  
92 authority, may provide financial assistance from such fund that  
93 enables the development of information technology projects. Such  
94 financial assistance may be provided directly or in participation with  
95 any other financial institutions, funds or other persons or other sources  
96 of financing, public or private and the authority may enter into any  
97 agreements or contracts it deems necessary or convenient in  
98 connection therewith. Payments of principal, interest or other forms of  
99 return on investment received by the authority shall be deposited in or  
100 held on behalf of said fund.

101 (b) The authority may provide financial assistance in such amounts,  
102 in such form and under such terms and condition as the authority shall  
103 prescribe, in written procedures adopted in accordance with section 1-  
104 121 of the general statutes. Such procedures shall provide, in the case  
105 of financial assistance in a form other than a grant, for returns on  
106 investment as the authority deems appropriate to reflect the nature of  
107 the risk, provided a single project shall not receive an amount in excess

108 of fifteen million dollars and shall not be for a term longer than thirty  
109 years.

110 (c) The authority may take all reasonable steps and exercise all  
111 reasonable remedies necessary or desirable to protect the obligations  
112 or interests of the authority, including, but not limited to, the purchase  
113 or redemption of in foreclosure proceedings, bankruptcy proceedings  
114 or in other judicial proceedings of any property on which it holds a  
115 mortgage or other lien or in which it has an interest, and for such  
116 purposes and any other purposes provided in this section payment  
117 may be made from the High-Technology Infrastructure Fund upon  
118 certification by the executive director that payment is authorized  
119 under the provisions of this section, or other sections of the general  
120 statutes, applicable procedures or other programs of the authority.

121 (d) Applicants for financial assistance shall pay the costs the  
122 authority deems reasonable and necessary incurred in processing  
123 applications made under this section, including application and  
124 commitment fees, closing costs or other costs. In carrying out the  
125 provisions of this section, any administrative expenses incurred by the  
126 authority, to the extent not paid by the borrower or from moneys  
127 appropriated to the authority for such purposes, may be paid from the  
128 High-Technology Infrastructure Fund.

129 Sec. 7. (a) For the purposes described in subsection (b) of this  
130 section, the State Bond Commission shall have the power, from time to  
131 time, to authorize the issuance of bonds of the state in one or more  
132 series and in principal amounts not exceeding in the aggregate one  
133 million dollars.

134 (b) The proceeds of the sale of said bonds, to the extent of the  
135 amount stated in subsection (a) of this section, shall be used by the  
136 Department of Economic and Community Development for the  
137 purpose of funding the "E-Commerce Matching Grant Program Fund"  
138 established pursuant to sections 8 to 12, inclusive, of this act.

139 (c) All provisions of section 3-20 of the general statutes, or the

140 exercise of any right or power granted thereby, which are not  
141 inconsistent with the provisions of this section are hereby adopted and  
142 shall apply to all bonds authorized by the State Bond Commission  
143 pursuant to this section, and temporary notes in anticipation of the  
144 money to be derived from the sale of any such bonds so authorized  
145 may be issued in accordance with said section 3-20 and from time to  
146 time renewed. Such bonds shall mature at such time or times not  
147 exceeding twenty years from their respective dates as may be provided  
148 in or pursuant to the resolution or resolutions of the State Bond  
149 Commission authorizing such bonds. None of said bonds shall be  
150 authorized except upon a finding by the State Bond Commission that  
151 there has been filed with it a request for such authorization which is  
152 signed by or on behalf of the Secretary of the Office of Policy and  
153 Management and states such terms and conditions as said commission,  
154 in its discretion, may require. Said bonds issued pursuant to this  
155 section shall be general obligations of the state and the full faith and  
156 credit of the state of Connecticut are pledged for the payment of the  
157 principal of and interest on said bonds as the same become due, and  
158 accordingly and as part of the contract of the state with the holders of  
159 said bonds, appropriation of all amounts necessary for punctual  
160 payment of such principal and interest is hereby made, and the State  
161 Treasurer shall pay such principal and interest as the same become  
162 due.

163 Sec. 8. (NEW) For purposes of this section and sections 8 to 12,  
164 inclusive, of this act: (1) "E-commerce consortium" means a coalition or  
165 other group of entities, related by contractual or other arrangements,  
166 that (A) includes at least one state higher education facility and one or  
167 more Connecticut businesses and may include other businesses,  
168 nonprofit, higher education or public institutions, and (B) is led by  
169 such facility for the purpose of e-commerce and information  
170 technology development or commercialization; (2) "E-commerce  
171 incubator" means an entity organized as a nonprofit organization for  
172 the purpose of providing research, offering capped rent, providing  
173 access to venture capital resources, partnering with academic research

174 or business school faculty and offering shared office facilities and other  
175 services to assist small e-commerce and information technology-based  
176 companies develop and grow; and (3) "Contribution" means cash,  
177 negotiable securities or other gifts of similar liquidity.

178 Sec. 9. (NEW) There is created an "E-Commerce Matching Grant  
179 Program Fund" within the Department of Economic and Community  
180 Development. The proceeds of any bonds issued for the purposes of  
181 sections 9 to 12, inclusive, of this act, shall be deposited in said fund.  
182 The State Treasurer shall invest the proceeds of the fund and the  
183 investment earnings shall be credited to and become part of the fund.  
184 Annually, on or before September first, the Treasurer shall notify the  
185 department of the total amount of investment earnings of the fund for  
186 the prior fiscal year and such amount shall be available to the  
187 department for payments pursuant to sections 11 and 12 of this act.  
188 Any balance remaining in the fund at the end of each fiscal year shall  
189 be carried forward in the fund for the succeeding fiscal year.

190 Sec. 10. (NEW) (a) To be eligible for a matching grant for a fiscal  
191 year pursuant to this section and section 12 of this act, an e-commerce  
192 consortium or e-commerce incubator shall have received total donor  
193 contributions for the fiscal year for which such amount is calculated of  
194 not less than twenty-five thousand dollars.

195 (b) For the portion of total donor contributions for the fiscal year  
196 which is equal to twenty-five thousand dollars or more but does not  
197 exceed the total donor contributions for the prior fiscal year, there shall  
198 be a match of twenty-five per cent of such amount, provided no match  
199 pursuant to this subsection shall exceed two hundred fifty thousand  
200 dollars.

201 (c) For the portion of total donor contributions for the fiscal year  
202 which exceeds the total donor contributions for the prior fiscal year,  
203 there shall be a match of one hundred per cent of such amount,  
204 provided no match pursuant to this subsection shall exceed one  
205 million dollars.

206 (d) If in any fiscal year the total amount of matching grants to be  
207 paid pursuant to the provisions of this sections and section 12 of this  
208 act, exceed the investment earnings of the E-Commerce Matching  
209 Grant Program Fund which are available for payments to e-commerce  
210 consortia and e-commerce incubators, pursuant to section 10 of this  
211 act, all such matching grants shall be reduced on a pro rata basis.

212 Sec. 11. (NEW) Annually, on or before December fifteenth, an e-  
213 commerce consortium or e-commerce incubator may apply to the  
214 Department of Economic and Community Development for a state  
215 matching grant, provided said consortium or incubator includes in its  
216 application a copy of the Internal Revenue Service return of  
217 organization exempt from income tax form, or any replacement form  
218 adopted by the Internal Revenue Service, showing the total amount of  
219 contributions received from donors for the two most recently  
220 completed fiscal years. On or before the January fifteenth next  
221 following, the department shall certify to the Treasurer an amount  
222 equal to the total matching grants as calculated pursuant to section 10  
223 of this act. Thereafter, the Treasurer shall make available such amount  
224 to the department and the department shall, on or before April  
225 fifteenth, pay to each e-commerce consortium or e-commerce incubator  
226 a grant as calculated pursuant to section 11 of this act."